LNF & IHCIF Calculations Illustration

- FLATHEAD in Billings area -

Given Data

- 10,398 = 1998 user count
- $2,980 = National average cost per person (not including wrap-around costs)
- 51% = % Expenditures on purchased services, 49% = % expenditures in-house
- 93.3% = Cost index for purchasing health care in this geographic area
- 102.1% = Size cost index for in-house costs due to small or large size
- 103.9% = Billings area cost index for health status above or below average

Cost Adjustment Calculations

- $1,421 per person for purchased services = 51% * 93.3% * $2,980
- $1,487 per person for in-house services = 49% * 102.1% * $2,980
- $2,909 per person total = $1,421 (purchase) + $1,487 (in-house)
- **$3,023 per person total** adjusted for health status = $2,909 * 103.9%
- **$2,278 per person net cost** = $3,023 - $745 Other resources (M&M&PI)

Existing Expenditures (for 10,398 users excluding wrap-around and collections)

- $1,189 per person = local IHS allowance (excludes $ for wrap-around)
- $341 per person = expenditures elsewhere in Billings area on behalf of area users
- $54 per person = expenditures elsewhere in IHS on behalf of IHS users
- **$1,583 per person for OU users** = $1,189 + $341 + $54

LNF Calculation

- **52.4% Gross LNF** = $1,583 (expenditures) / $3,023 total cost (ignoring Medicare, Medicaid, PI spending on behalf of OU users)
- **69.5% Net LNF** = $1,583 / $2,278 net cost ($3,023 - $745 other)

IHCIF Allocation

- $0 = $ to raise LNF% from 69.5% to 60%
- $258,040,100 = aggregate $ to raise all locations to 60%
- 3.488% IHCIF fraction = $9,000,000 fund / $258,040,100 needed
- **$0 Allocation** = $0 needed for 60% * 3.488% IHCIF fraction

FLATHEAD Unmet Needs

- **$23,682,312 Net Total Need** = 10,398 users * $2,278 net cost
- **$7,218,827 Net Unmet Need** = (100% - 69.5% LNF) * 10,398 users * $2,278 net cost